ject to scrutiny under Exchange Control and Income Tax Act.

(ii) The State Bank of India is to issue India Development Bonds in US Dollars which could be purchased by NRIs and overseas corporate bodies (OCBs). The Bonds will have a maturity period of five years and can be gifted to residents. These Bonds are exempt from Wealth Tax and Income Tax till maturity, payable in Rupees in India—both principal and interest; if gifted to a resident. However, for the NRIs the face value of the Bond alongwith interest is repatriable, with exchange rate—protection, on maturity.

In June, 1991, the RBI have also announced a Foreign Currency (Ordinary—Non-repatriable) Deposit Scheme, 91, which carries an interest rate of 1% above the FCNR US Dollar Deposit Scheme for three years, which is currently 9% per annum.

NON-DEVELOPMENT EXPENDITURE OF STATE GOVERNMENTS

*272. SHRI ANBARASU ERA : Will the Minister of FINANCE be pleased to state :

(a) whether the non-development expenditure of State Governments has increased considerably during the last year;

(b) if so, the extent of such increase; and

(c) the steps proposed to be taken by the Union Government in the matter ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE : (a) Yes, Sir.

(b) The non-developmental expenditure of all States increased from Rs. 19,806.1 crores (Revised Estimate) in 1989-90 to Rs. 24,285.3 crores Budget Estimate) in 1990-91 showing an increase of 22.61 per cent.

(c) In order to contain increase in non-developmental expenditure of the States the Planning Commission has been emphasising during the course of the discussions with the State Governments the need for reducing the growth of non-developmental expenditure and for taking suitable economy measures. However, it is for the State Governments to contain their increase in non-developmental expenditure by taking various economy measures. The steps reported to have been taken by some of the State Governments for reducing their growth in non-developmental expenditure include restriction on purchase of vehicles, control on consumption of petrol and electricity, ban on creation of new posts, restriction of expenditure on telephones, etc.

[*Translation*]

PERFORMANCE OF REGIONAL RURAL BANKS

*274. SHRI TEJ NARAYAN SINGH SHRI VISHVANATH SHASTRI

Will the Minister of FINANCE be pleased to state :

(a) the performance of Regional Rural Banks in the fields of advancing of loans, opening of branches and providing employment to local people during the last three years; State-wise; and

(b) the criteria adopted for the constitution of the Board of Directors in these banks, State-wise ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) The total amount outstanding, loans issued, number of branches in existence and the staff employed by Regional Rural Banks (RRBs) during the last three years, State-wise, as reported by National Bank for Agriculture and Rural Development is given in the enclosed statement. The figures indicate that RRBs have helped the rural population in inculcating banking habits and also assisted them with loans to pursue their productive activities. Besides providing direct

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employment to 62.559 people as on 31-3-1990, the RRBs have also provided gainful employment to borrowers from weaker sections of society.

(b) As per the provisions of sub-section (1) of Section 9 of RRB Act, the composition of the Board of Directors of a RRB is as under :—

(i) A Chairman to be appointed by the Sponsor Bank.

(ii) Two non-official directors to be nominated by Central Government;

(iii) One director each to be nominated by Reserve Bank and NABARD;

(iv) Two directors who are officials of State Government to be nominated by the respective State Governments; and

(v) Two directors who are the officers of the sponsor banks concerned are to be nominated by that bank.

Statement

(Rs. in crores)

Name of the State	DECEMBER—1987			
	Total amount outstanding	Total loans issued (Jan.—Dec.)	Branches	Staff employed
1	2	3	4	5
Haryana	63.70	23.32	260	1157
Himachal Pradesh	14.44	8.29	123	506
Jammu & Kashmir	19.58	10.03	256	974
Punjab	17.50	11.85	146	416
Rajasthan	930.31	27.47	1007	3297
NORTHERN REGION	245.55	80.93	1792	6352
Arunachal Pradesh	0.28	0.33	15	29
Assam	47.50	12.46	327	1375
Manipur	1.29	0.62	23	66
Meghalaya	2.83	2.03	42	113
Mizoram	2.92	2.91	33	100
Nagaland	0.38	0.12	8	23
Tripura	31.97	8.94	77	562
NORTH EASTERN REGION	87.22	27.41	535	2288
Bihar	264.36	64.42	1777	5577
Orissa	158.34	40.25	786	3443
West Bengal	117.77	44.48	737	3233
EASTERN REGION	536.48	149.15	3302	12253
Madhya Pradesh	165.41	58.03	1512	4612
Uttar Pradesh	416.45	126.23	2905	11053
CENTRAL REGION	581.87	184.26	4417	15685
Gujarat	28.29	11.76	313	876
Maharashtra	71.03	28.87	486	1525
WESTERN REGION	99.32	37.63	799	2391
Andhra Pradesh	230.24	117.45	1652	4555
Karnataka	243.58	110.98	1634	4038
Kerala	127.08	95.03	262	2163
Tamil Nadu	35.88	20.85	160	716
SOUTHERN REGION	636.78	344.31	2508	11474
ALL INDIA	2232.00	824.21	13353	50693

(Rs. in crores)

Name of the State	MARCH—1989			
	Total amount outstanding	Total loans issued	Branches	Staff employed
1	2	3	4	5
Haryana	83.2	22.6	239	1325
Himachal Pradesh	18.0	3.7	125	566
Jammu & Kashmir	23.7	5.4	256	1066
Punjab	39.3	9.6	158	502
Rajasthan	168.6	30.2	1056	3608
NORTHERN REGION	332.9	71.5	1834	7084
Arunachal Pradesh	0.5	0.3	16	38
Assam	69.0	19.0	351	1529
Manipur	1.0	0.4	24	74
Meghalaya	4.7	2.0	46	129
Mizoram	3.8	0.4	44	125
Nagaland	0.6	0.1	16	23
Tripura	56.4	21.4	84	646
NORTH EASTERN REGION	136.0	43.6	585	2564
Bihar	348.8	55.9	1820	6017
Orissa	199.6	30.0	8.5	3558
West Bengal	164.1	25.0	878	3794
EASTERN REGION	712.6	110.9	3133	13369
Madhya Pradesh	224.0	66.4	1577	5320
Uttar Pradesh	555.6	136.0	1994	13128
CENTRAL REGION	779.6	202.4	4371	13438
Gujarat	41.9	17.2	386	1184
Maharashtra	99.3	32.3	573	2107
WESTERN REGION	141.2	49.5	959	3296
Andhra Pradesh	345.0	167.1	1101	49131
Karnataka	311.3	137.9	1139	5092
Kerala	110.3	105.8	269	2277
Tamil Nadu	49.3	30.0	196	955
SOUTHERN REGION	815.9	440.8	2527	13237
ALL INDIA	2918.2	918.7	14079	57993

(Rs. in crores)

Name of the State	MARCH—1990			
	Total amount out-standing	Total loans issued (April—March)	Branches	Staff employed
1	2	3	4	5
Haryana	113.14	46.63	290	1595
Himachal Pradesh	20.79	11.75	128	450
Jammu & Kashmir	25.54	41.16	256	1097
Punjab	40.25	19.42	199	614
Rajasthan	196.00	50.13	1068	3712
NORTHERN REGION	395.83	132.09	1341	7516
Arunachal Pradesh	0.75	1.26	17	49
Assam	91.47	27.73	393	1519
Manipur	2.12	0.27	29	8
Meghalaya	5.53	1.80	50	127
Mizoram	4.71	1.58	50	173
Nagaland	0.73	0.38	8	20
Tripura	66.79	16.47	88	60
NORTH EASTERN REGION	172.15	49.77	635	2666
Bihar	390.42	95.70	1865	6558
Orissa	229.90	44.17	629	368
West Bengal	207.49	64.41	851	4326
EASTERN REGION	823.81	204.25	3525	1438
Madhya Pradesh	268.88	77.06	1600	578
Uttar Pradesh	843.55	188.42	3050	1413
CENTRAL REGION	1112.43	265.48	4650	1885
Gujarat	54.25	28.82	425	126
Maharashtra	123.88	31.44	389	222
WESTERN REGION	178.13	60.26	1514	352
Andhra Pradesh	273.79	265.61	1124	5257
Karnataka	361.85	167.84	1067	5515
Kerala	179.74	144.11	269	2371
Tamil Nadu	56.27	16.50	208	963
SOUTHERN REGION	871.65	544.12	2668	14317
ALL INDIA	3554.23	1306.01	14443	62550

RECOVERY OF LOANS BY BANKS

*277. SHRI DILEEP SINGH BHURIA: Will the Minister of FINANCE be pleased to state :

(a) the total amount of loans outstanding for recovery by various nationalised and rural banks in the country at the beginning of the current financial year;

(b) the details of the steps taken for the recovery of this amount;

(c) whether there is any proposal to introduce a uniform recovery procedure throughout the country;

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) The category-wise advances outstanding and fallen overdue in